

ADOPTED 2007 BUDGET**DEPT:** DEPARTMENT OF ADMINISTRATIVE SERVICES – EMPLOYEE BENEFITS**UNIT NO.** 1188**FUND:** General - 0001**OPERATING AUTHORITY & PURPOSE**

Pursuant to the provisions of Section 59.51(2) of the Wisconsin Statutes, the County Board may represent the County and have management of the business and concerns in all cases where no other provision is made.

A modification to Section 17.30(5), Milwaukee County Ordinances, will be submitted to the Personnel Committee to establish appointing and managing authority and confirmation criteria for the new position.

| BUDGET SUMMARY | | | | |
|--------------------------------|--------------------|--------------------|---------------------|------------------------|
| Account Summary | 2005 Actual | 2006 Budget | 2007 Budget | 2006/2007Change |
| Personal Services (w/o EFB) | \$ 0 | \$ 0 | \$ 954,184 | \$ 954,184 |
| Employee Fringe Benefits (EFB) | 0 | 0 | 559,980 | 559,980 |
| Services | 0 | 0 | 450,000 | 450,000 |
| Commodities | 0 | 0 | 0 | 0 |
| Other Charges | 0 | 0 | 0 | 0 |
| Debt & Depreciation | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Capital Contra | 0 | 0 | 0 | 0 |
| County Service Charges | 0 | 0 | 0 | 0 |
| Abatements | 0 | 0 | 0 | 0 |
| Total Expenditures | \$ 0 | \$ 0 | \$ 1,964,164 | \$ 1,964,164 |
| Direct Revenue | 0 | 0 | 1,097,273 | 1,097,273 |
| State & Federal Revenue | 0 | 0 | 0 | 0 |
| Indirect Revenue | 0 | 0 | 0 | 0 |
| Total Revenue | \$ 0 | \$ 0 | \$ 1,097,273 | \$ 1,097,273 |
| Direct Total Tax Levy | 0 | 0 | 866,891 | 866,891 |

| ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY* | | | | |
|---|--------------------|--------------------|--------------------|------------------------|
| Account Summary | 2005 Actual | 2006 Budget | 2007 Budget | 2006/2007Change |
| Central Service Allocation | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Courthouse Space Rental | 0 | 0 | 0 | 0 |
| Tech Support & Infrastructure | 0 | 0 | 0 | 0 |
| Distribution Services | 0 | 0 | 0 | 0 |
| Telecommunications | 0 | 0 | 0 | 0 |
| Record Center | 0 | 0 | 0 | 0 |
| Radio | 0 | 0 | 0 | 0 |
| Computer Charges | 0 | 0 | 0 | 0 |
| Applications Charges | 0 | 0 | 0 | 0 |
| Total Charges | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Direct Property Tax Levy | \$ 0 | \$ 0 | \$ 866,891 | \$ 866,891 |
| Total Property Tax Levy | \$ 0 | \$ 0 | \$ 866,891 | \$ 866,891 |

* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

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| PERSONNEL SUMMARY | | | | |
|-----------------------------------|--------------------|--------------------|--------------------|-------------------------|
| | 2005 Actual | 2006 Budget | 2007 Budget | 2006/2007 Change |
| Personal Services (w/o EFB) | \$ 0 | \$ 0 | \$ 954,184 | \$ 954,184 |
| Employee Fringe Benefits (EFB) | \$ 0 | \$ 0 | \$ 559,980 | \$ 559,980 |
| Position Equivalent (Funded)* | 0 | 0.0 | 15.3 | 15.3 |
| % of Gross Wages Funded | 0.0 | 0.0 | 100.0 | 100.0 |
| Overtime (Dollars)** | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Overtime (Equivalent to Position) | 0 | 0.0 | 0.0 | 0.0 |

* For 2005 Actuals, the Position Equivalent is the budgeted amount.

** Delineated for information. (Also included in personal services.)

| PERSONNEL CHANGES | | | | |
|---------------------------------|---------------|---|-------------------|--|
| Job Title/Classification | Action | Number of Positions/ Total FTE | Division | Cost of Positions (Excluding Fringe Benefits) |
| Director of Employee Benefits | Create | 1/1.0 | Employee Benefits | 119,415 |
| Fiscal Officer Health Care | Create | 1/1.0 | Employee Benefits | 97,382 |
| Business Manager | Create | 1/1.0 | Employee Benefits | 77,454 |
| Health Care Benefits Coord. | Create | 2/2.0 | Employee Benefits | 128,540 |
| Retirement Systems Mgr. | Transfer | 1/1.0 | Employee Benefits | 90,496 |
| Retirement System Coordinator | Transfer | 1/1.0 | Employee Benefits | 67,913 |
| Fiscal Officer - ERS | Transfer | 1/1.0 | Employee Benefits | 77,643 |
| Clerical Spec (HR) NR | Transfer | 2/2.0 | Employee Benefits | 65,542 |
| Clerical Asst 2 (NR) | Transfer | 1/1.0 | Employee Benefits | 38,429 |
| Adm. Spec. Retirement Sys. | Transfer | 2/2.0 | Employee Benefits | 92,405 |
| Hum. Res. Analyst 1-Emp. Ben. | Transfer | 1/1.0 | Employee Benefits | 43,477 |
| Adm. Spec. Hum. Res. (NR) | Transfer | 1/1.0 | Employee Benefits | 38,254 |
| | | | Total | 936,950 |

MISSION

The Division of Employee Benefits will manage the fringe benefits program, including health care benefits and the retirement benefits for Milwaukee County Employees and Retirees. The division will be responsible for, and accountable for, the management of the health care and pension benefits programs for Milwaukee County active employees and retirees. This will include responsibility for all business activities including contract solicitation, award and monitoring; customer service; and budgeting, accounting and financial analysis. The newly created division head position will report directly to the Director of Administrative Services. The division head will be charged with responsibility for all aspects of benefits management including recruitment, management and coordination of staff.

BUDGET HIGHLIGHTS

- A new Division of Employee Benefits is created within the Department of Administrative Services to manage the \$199,174,000 fringe benefits program, including the \$135,110,000 health care benefit and the retirement benefit for Milwaukee County Employees and Retirees. The new division will be responsible for, and accountable for, the management of the health care and pension benefits programs for Milwaukee County active employees and retirees. This will include responsibility for all business activities including contract solicitation, award and monitoring; customer service; and budgeting, accounting and financial analysis. The newly created division head position will report directly to the Director of Administrative Services. The division head will be charged with responsibility

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UNIT NO. 1188

FUND: General - 0001

for all aspects of benefits management including recruitment, management and coordination of staff. A modification to Section 17.30(5), Milwaukee County Ordinances, will be submitted to the Personnel Committee to establish appointing and managing authority and confirmation criteria for the new position.

- The Director of Employee Benefits also will report on a regular basis to the Health Benefits Advisory Committee created by County Board resolution. That Committee is charged 'to assist in development of health plans, interpret the health benefits environment, review industry trends, and serve as a County liaison to the greater community in addressing rising regional health costs.' The Director of Employee Benefits, and other staff in the new division, will work closely with the Advisory Committee in fulfilling its charge.
- A Business Manager is created in the new division. To allow for the full efforts of the Director to be directed to employee benefits duties, the Business Manager shall be responsible for day-to-day administration of the Division's internal operations. These responsibilities shall include, but not be limited to, budget, contract administration, accounts payable, accounting, personnel management and training. As such, the Business Manager shall be the division's liaison to internal County offices including Corporation Counsel, Audit, Procurement, Budget, Accounting, IMSD, Facilities Management, Payroll and Risk Management.
- Fiscal staff within the division will be familiar with benefits, budgeting, accounting and actuarial concepts. All staff will be cross-trained to facilitate efficient deployment based on workflow demands. In addition, a position will be created in the Department of Audit to be dedicated to auditing health care claims, health care contract compliance and financial aspects of the program.
- As part of this initiative, the Controller (DAS-Fiscal) will be charged with providing the Employee Benefits Division with ongoing support as well as coordination with the Labor Relations and Fiscal Services Divisions of DAS. The Controller position is reallocated from Executive Director 2 – pay range 902E (\$95,141.81) to pay range 902E (\$106,342.08) to reflect additional responsibilities.
- Personal Services expenditures without fringe benefits total \$954,184.
- Expenditures for Services total \$450,000. The entirety of the appropriation is allocated to professional services.
- For 2007, the Division of Employee Benefits is authorized with 15 positions (15 full-time equivalents (FTEs)). Five of these FTEs are new position creates and 10 FTEs are transferred in from the Employee Retirement System (ERS) unit within Human Resources.
- All departments are required to operate within their expenditure appropriations and their overall budgets. Pursuant to Section 59.60(12), Wisconsin Statutes, "No payment may be authorized or made and no obligation incurred against the county unless the county has sufficient appropriations for payment. No payment may be made or obligation incurred against an appropriation unless the director first certifies that a sufficient unencumbered balance is or will be available in the appropriation to make the payment or to meet the obligation when it becomes due and payable. An obligation incurred and an authorization of payment in violation of this subsection is void. A county officer who knowingly violates this subsection is jointly and severally liable to the county for the full amount paid. A county employee who knowingly violates this subsection may be removed for cause."